



New Mexico Agricultural
Statistics Service

Weekly Ag Update

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Weather Summary ERS

Available on Internet at: www.nass.usda.gov/nm OR by e-mail (call 1-800-530-8810 for information)

WEATHER SUMMARY

The main event of the week was a winter storm that passed through the state Wednesday and Thursday. This storm brought up to a foot of snow to the northern mountains and ushered in some of the coldest air of the season. However, the snow was very fluffy and dry, and did not produce all that much moisture. Los Alamos (.61") and Red River (.51") were the only spots that measured over half an inch of water equivalent from the snow. Temperatures for the week averaged nearly 9 degrees below normal for the state. Readings dropped as low as -20 at Red River and -18 at Chama on the morning of the 13th.

NEW MEXICO WEATHER CONDITIONS FEBRUARY 9 - 15, 2004

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	02/09 02/15	02/01 02/15	Normal Feb	01/01 02/15	Normal Jan-Feb
Carlsbad	35.4	57	11	0.19	0.19	0.35	0.40	0.70
Tatum	31.6	55	6	0.14	0.14	0.50	0.43	0.89
Roswell	33.9	56	11	0.02	0.03	0.46	0.03	0.89
Clayton	26.8	51	5	T	0.00	0.31	0.10	0.55
Clovis	30.2	58	12	0.27	0.27	0.51	0.39	0.90
Roy	--	--	--	0.00	0.00	0.43	0.75	0.77
Tucumcari	28.4	59	6	0.03	0.04	0.45	0.06	0.73
Chama	15.2	44	-18	0.13	1.09	1.58	1.75	3.35
Johnson Ranch	20.1	44	-11	0.06	0.47	0.57	0.62	1.24
Capulin	18.6	43	-10	0.09	0.36	0.56	0.75	0.96
Las Vegas	20.9	44	-4	T	0.01	0.39	0.07	0.71
Los Alamos	21.1	38	2	0.62	1.11	0.80	1.51	1.66
Raton	23.1	52	-5	0.03	0.31	0.54	0.37	1.01
Santa Fe	23.4	47	-1	0.04	0.12	0.69	0.40	1.32
Red River	11.1	40	-20	0.51	1.52	1.22	2.32	2.29
Farmington	25.9	48	6	0.00	0.28	0.57	0.88	1.16
Gallup	25.3	46	2	T	0.07	0.74	0.53	1.54
Grants	25.1	52	2	0.03	0.13	0.51	0.30	1.00
Silver City	35.1	52	15	T	1.05	1.25	2.37	2.41
Quemado	25.6	47	-2	0.02	0.23	0.72	0.56	1.55
Albuquerque	31.9	54	14	T	0.04	0.46	0.14	0.90
Carrizozo	31.6	55	7	0.05	0.26	0.57	0.72	1.17
Gran Quivera	28.7	49	2	0.00	0.00	0.82	0.30	1.52
Moriarty	25.6	49	3	0.16	0.26	0.48	0.73	0.91
Ruidoso	27.6	52	9	0.09	0.69	1.16	1.51	2.28
Socorro	33.4	57	14	0.05	0.06	0.39	0.24	0.78
Alamogordo	39.1	58	22	0.00	0.09	0.54	0.17	1.21
Animas	41.2	63	22	0.00	0.55	0.51	1.12	1.19
Deming	38.0	62	15	T	0.14	0.46	0.49	1.02
T or C	36.4	59	18	0.01	0.01	0.38	0.22	0.84
Las Cruces	40.5	62	18	0.00	0.00	0.37	0.13	0.83

(T) Trace (-) No Report (*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

COTTON AND WOOL OUTLOOK

ERS, USDA, FEBRUARY 11, 2004

The latest U.S. Department of Agriculture (USDA) cotton forecast for 2003/04 indicates that near-record global cotton consumption is reducing world ending stocks to their lowest since 1994/95. Although global cotton production is forecast 5 percent higher this season at 92.7 million bales, world consumption is projected at 97.2 million. As a result, 2003/04 ending stocks are expected to decline 4.3 million bales or 12 percent.

At about 32.5 million bales, world ending stocks are projected to equal 33.5 percent of global consumption in 2003/04, 4 percentage points below 2002/03 and the lowest since 1993/94. Just as important, however, is the stock reduction occurring in China. With consumption expanding significantly in China, stocks there as a share of world consumption have fallen dramatically from 1998/99 to 7 percent this season, the lowest since 1993/94. Meanwhile, the United States accounts for its lowest share in 4 years—about 4.5 percent.

U.S. Cotton Supply and Demand Overview

The 2003/04 U.S. cotton crop is currently estimated at 18.2 million bales (upland—17.8 million and extralong staple (ELS)—429,000 bales), compared with 17.2 million in 2002/03. Based on the latest *Cotton Ginnings* report, ginnings were nearly complete by the beginning of February as 18.1 million bales had been ginned. The USDA will release the final 2003/04 ginnings, as well as final upland and ELS production on May 12th. Based on the current production estimate and beginning stocks of 5.4 million bales, 2003/04 U.S. cotton supply is estimated at 23.7 million, 4 percent below last season but still the third highest since 1966/67. Total demand, on the other hand, is projected to reach 19.4 million bales in 2003/04, slightly above a year ago and the second largest on record behind 1994/95's 20.6 million bales. As a result, 2003/04 ending stocks are forecast to decline 21 percent to about 4.3 million bales.

Mill Use and Export Estimates Unchanged

The U.S. cotton mill consumption projection for 2003/04 remains at 6.2 million bales this month, nearly 15 percent below last season. Net textile and apparel imports have continued to garner a larger share of domestically used products. The current mill use estimate is in its 6th year of decline and at its lowest since 1984/85. In contrast, U.S. raw cotton exports remain forecast at a record 13.2 million bales, 11 percent above last season. With 2003/04 foreign consumption projected

to exceed production by over 16 million bales, import demand is expected at its highest level in over a decade. The U.S. share of world trade in 2003/04 is projected at 41 percent, slightly above a year ago.

Textile Trade Falls in November U.S. textile imports during November 2003 totaled 1.2 billion pounds, 23 percent below October and the lowest since December 2002. Imports declined for all fibers and all major end-use categories. Cotton textile imports, at 655 million pounds, were the lowest since April 2002 but still represent more than half of the U.S. import total. Textile imports during January through November 2003 were 15.4 billion pounds, 9 percent (1.3 billion pounds) above the comparable period of 2002. Similarly, cotton textile imports during the first 11 months of 2003 totaled 8.5 billion pounds, 9 percent (710 million pounds) above a year earlier.

U.S. textile exports for November were 392 million pounds, 11 percent below October and 4 percent below a year ago. Export declines for the latest month occurred in all major fibers and all end-use categories. Cotton textile exports, at 189 million pounds, were 12 percent below October and 3 percent below a year ago. Cumulative textile exports for January through November reached 4.5 billion pounds, 1 percent (45 million pounds) below the same period in 2002. However, shipments of cotton textile products during the first 11 months of 2003 totaled 2.2 billion pounds, 6 percent (120 million pounds) above a year earlier.

Overall, the textile trade deficit during January through November 2003 climbed to 11 billion pounds, compared with 9.5 billion a year ago. Likewise, the cotton trade deficit moved higher. For the 11 months, the cotton deficit reached 6.4 billion pounds in 2003, compared with 5.8 billion for the same period in 2002. As a result, cotton products represent 58 percent of the total U.S. textile deficit.

World Production and Trade Rising in 2003/04 USDA's forecast of 2003/04 world cotton production is 92.7 million bales, the largest crop since 1995/96 and 4 million bales higher than output in 2002/03. Consumption in 2003/04 is forecast at 97.2 million bales, down 1 percent from 2002/03, its first decline since 1998/99.

World trade in cotton is forecast to reach 32 million bales in 2003/04, its highest since the end of the 1980s. World trade has fallen in recent years as Russian imports plunged and the textile industries in Japan and the European Union shrank. But, in 2003/04, China's imports are expected to more than double to a record 7 million bales, boosting expected world trade significantly.

World ending stocks for cotton are forecast at 32.5 million bales in 2003/04, 4.3 million bales lower than in 2002/03, and the lowest since 1994/95. Most of the decline in stocks is once again expected to occur outside of China, with stocks outside of China falling 3 million bales from the year before to their lowest since the end of the 1990s.

Production Constrained in 2003/04 While world production rose 4 million bales from the year before in 2003/04, production in a number of countries was below potential in part due to weather. World cotton production in 2003/04 was 5 percent higher than in 2002/03, in large part in response to a 30-percent increase in cotton prices during 2002/03, but this increase was below average compared with earlier years.

Since 1987/88, world production has typically risen by about two-thirds as much as the

previous year's world price increase. This would have been about a 20-percent increase in production rather than a 5-percent increase. Corn and soybean prices in 2002/03 rose faster than they have during previous times that cotton prices rose, but not enough to account for all of the difference. Favorable weather in the United States, India, and West Africa's Franc Zone boosted production in 2003/04, but output suffered in China, Australia, and Uzbekistan.

Perhaps the largest weather shock suffered by world cotton production in 2003/04 occurred in China. China's National Bureau of Statistics reportedly confirmed its earlier estimate of cotton output, about 22.4 million bales. This suggests yields fell about 19 percent compared with a year earlier, corresponding to this year's unprecedented late season rainfall in China's prime eastern growing regions.

Australia's output was also significantly constrained by weather as drought there continued through the planting of the 2003/04 crop. While Australia's 1999-01 output averaged about 3.5 million bales, the 2003/04 crop is expected to total only 1.3 million due to the depletion of reservoirs there following several years of reduced precipitation.

Uzbekistan's output fell 400,000 bales from the year before in 2003/04 in large part due to a cool, late spring. Although weather improved later in the season, the crop's poor start and reduced area limited output to 4.2 million bales, the lowest in recent memory.

World Consumption Falling in 2003/04 Higher cotton prices and increased competition from China are driving cotton consumption outside of China down in 2003/04. China's burgeoning textile exports and domestic demand are expected to boost mill use there by 1 million bales. However, led by a 1-million-bale decline in U.S. mill use, cotton consumption outside of China is expected to fall 1.8 million bales.

U.S. Sheep and Lamb Inventories Continue To Decline, Production Follows The U.S. all sheep and lamb inventory on January 1, 2004,

was estimated at 6.1 million head, down 3 percent from 2003 and 9 percent below 2 years ago. The inventory has trended downward since 1942 when it reached a peak of 56.2 million head. The inventory of breeding sheep declined to 4.48 million head, down 4 percent from January 1, 2003. Ewes one year and older, at 3.6 million head, were 4 percent below last year.

Shorn wool production in the United States during 2003 was 38.1 million pounds, greasy, down 8 percent from 2002. U.S. wool output in 2003 was approximately half the level of just a decade earlier. Sheep and lambs shorn totaled 5.06 million head, down 8 percent from 2002. The average price paid for wool sold in 2003 was \$0.72 per pound. The total value of these sales was \$27.4 million, up 25 percent from the \$21.9 million in 2002.

The inventory of angora goats on January 1, 2004, totaled 260,000 head, nearly 9 percent below 2003. As a result, mohair production in the United States was estimated lower at 1.88 million pounds, about 14 percent below 2002. Angora goats clipped totaled 248,000 head, down 12 percent from a year earlier and the average clip per goat decreased from 7.7 pounds to 7.6. The average price paid for mohair sold in 2003 was \$1.66 per pound, compared with \$1.58 in 2002. Despite the higher price, the total value of mohair production declined to \$3.1 million, 9 percent below 2002. Wool production during the 2004 marketing year likely will continue to decline with the lower estimated sheep numbers. If yields can be maintained at the 2003 level of 7.54 pounds per sheep, then production in 2004 would fall to approximately 37 million pounds, greasy, 3 percent below the 2003 estimate.